

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

<i>In re</i>	X
THE FINANCIAL OVERSIGHT AND	:
MANAGEMENT BOARD FOR PUERTO RICO,	:
as representative of	PROMESA
THE COMMONWEALTH OF PUERTO RICO,	Title III
<i>et al.</i> ,	:
Debtors.*	Case No. 17-BK-3283 (LTS)
	:
	(Jointly Administered)
	:
	:
	X
<i>In re</i>	:
THE FINANCIAL OVERSIGHT AND	:
MANAGEMENT BOARD FOR PUERTO RICO,	PROMESA
as representative of	Title III
PUERTO RICO ELECTRICAL POWER	:
AUTHORITY (PREPA),	Case No. 17-BK-04780-LTS
	:
	:
Debtor.	X

* The Debtors in these title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

**ORDER RESOLVING CERTAIN
DISCOVERY MOTIONS FILED BY SOLUS AND U.S. BANK**

Upon consideration of the following discovery motions: (i) *Motion of Solus to Compel Testimony Pursuant to Rule 30(b)(6) from U.S. Bank in Connection with PREPA RSA Settlement Motion* [Case No. 17-BK-4780, Dkt. No. 1469]; (ii) *Motion of U.S. Bank National Association, as PREPA Bond Trustee, to Quash Amended Deposition Subpoena of Cortland Capital Markets, LLC and Solus Alternative Asset Management LP* [Case No. 17-BK-4780, Dkt. No. 1466]; and (iii) *Urgent New Motion of Solus to Compel Production of Documents by U.S. Bank* [Case No. 17-BK-4780, Dkt. No. 1502] (together, the “Discovery Motions”), submitted in connection with the *Joint Motion of Puerto Rico Electric Power Authority and AAFAF Pursuant to Bankruptcy Code Sections 362, 502, 922, and 928, and Bankruptcy Rules 3012(a)(1) and 9019 for Order Approving Settlements Embodied in the Restructuring Support Agreement and Tolling Certain Limitations Periods* [Dkt. No. 1235] (the “Settlement Motion”)¹ and it appearing that (i) the Court has subject matter jurisdiction over the Discovery Motions pursuant to 28 U.S.C. § 1331 and 48 U.S.C. § 2166(a); (ii) venue of this proceeding and the Discovery Motions is proper under 28 U.S.C. § 1391(b) and 48 U.S.C. § 2167(a); (iii) notice of the Discovery Motions was adequate and proper under the circumstances and no further or other notice need be given; (iv) any objections to the Discovery Motions either being resolved or overruled by this Court at a hearing on July 30, 2019; and (v) SOLA LTD, Solus Opportunities Fund 5 LP, Ultra Master LTD, and Ultra NB LLC (collectively “Solus”) and U.S. Bank National Association (“U.S. Bank”) having met and conferred in connection with this Court’s rulings at the July 30 hearing and having submitted a

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Discovery Motions, the Subpoena or the Requests for Production.

proposed order,

IT IS HEREBY ORDERED THAT:

1. U.S. Bank will produce a witness pursuant to Federal Rule of Civil Procedure 30(b)(6) in Minneapolis, Minnesota on August 15, 2019, or on such other date as may be agreed upon between Solus and U.S. Bank, at a time and place to be agreed upon between Solus and U.S. Bank. The matters for examination will be:

- a) U.S. Bank's role, if any, in connection with the negotiation of, entry into, and terms of the RSA;
- b) Whether any of the funds or accounts identified in Trust Agreement sections 401, 503, 506, or 507 were located at U.S. Bank as of the Petition Date and at present and the existence of any deposit account control agreements involving U.S. Bank relating to accounts held by PREPA at other banks or financial institutions as of the Petition Date and at present;
- c) The document produced by U.S. Bank bearing the Bates range USB_9019MOTION_0004036 – USB_9019MOTION_0004039;
- d) U.S. Bank's understanding of the Current Expense treatment or priority status of the Fuel Line Loans under the Trust Agreement; and
- e) Documents produced by U.S. Bank in response to the *First Set of Document Requests of Cortland Capital Market Services LLC, as Administrative Agent, and Solus Alternative Asset Management LP to U.S. Bank National Association, as Bond Trustee*, or authored by a U.S. Bank employee and

identified by Solus two (2) calendar days before the deposition or five (5) calendar days after it is produced, whichever is later.²

2. U.S. Bank is ordered to produce non-privileged documents (hard copy and electronic) relating to:

- a) U.S. Bank's "loan file" or its equivalent relating to the Trust Agreement (subject to any subsequent agreement between Solus and U.S. Bank to limit the scope of U.S. Bank's production from such file)³;
- b) U.S. Bank's understanding of the Current Expense treatment or priority status of the Fuel Line Loans under the Trust Agreement; and
- c) Communications with representatives of PREPA bondholders and/or the Government Parties concerning the Fuel Line Loans, Fuel Line Lenders and/or payment of Current Expenses on or after July 30, 2018.

3. Solus and U.S. Bank will meet and confer regarding custodians and search terms to be used by U.S. Bank, if any.

4. U.S. Bank may proffer to Solus any declaration that it contends obviates the need for any part of the deposition described in paragraph 1 above seven (7) calendar days before the deposition is scheduled to occur and U.S. Bank and Solus shall meet and confer in good faith

² U.S. Bank reserves the right to request that Solus identify the documents upon which it intends to examine U.S. Bank's witness (2) calendar days before the deposition, based on any agreement by Solus to provide such advance identification of documents that may be reflected in the transcript of the July 30 hearing.

³ U.S. Bank represents that it does not maintain any "loan file" relating to the Trust Agreement. It agrees, though, to work in good faith with Solus to reach an agreement about the U.S. Bank file(s) that could be characterized as equivalent to a "loan file."

in an effort to obviate the need for deposition testimony. Solus acknowledges that a declaration should obviate the need for testimony on certain of the deposition topics.

5. U.S. Bank is ordered to substantially complete its production of documents six (6) calendar days prior to the deposition described in paragraph 1.

This Order resolves Dkt. No. 1560.

SO ORDERED.

Dated: August 5, 2019

/s/ Judith G. Dein
HONORABLE JUDITH G. DEIN
UNITED STATES MAGISTRATE JUDGE